

CHAPTER 7

REMOVAL FROM THE TEMPORARY DISABILITY RETIRED LIST

20701. Entitlement to Disability Severance Pay

A member on the TDRL is given a physical examination at least once every 18 months. If, as a result of the periodic physical examination or when the Secretary concerned makes a final determination at the expiration of 5 years after being placed on the TDRL, it is determined that the physical disability is less than 30 percent, and if the member has less than 20 years of service, the member's name is removed from the TDRL and the member may be separated with severance pay.

20702. Computation of Severance Pay

a. When the member is removed from the TDRL with entitlement to disability severance pay, the pay is computed by multiplying years of active service, but not more than 12, by the highest of these amounts:

(1) Twice the amount of monthly basic pay to which the member would be entitled if serving on active duty on the date of removal from the TDRL and in the grade or rank in which serving on the date of transfer to the TDRL.

(2) Twice the amount of monthly basic pay to which the member would be entitled if serving (a) on active duty on the date when the member's name was placed on the TDRL and, (b) in any temporary grade or rank higher than that described in clause (1) in which the member served satisfactorily as determined by the Secretary of the Military Department or the Secretary of the Department of Transportation, as applicable, having jurisdiction over the service from which the member is separated.

(3) Twice the amount of monthly basic pay to which the member would be entitled if serving (a) on active duty on the date when the member's name was placed on the TDRL and, (b) in the permanent Regular or Reserve grade to which the member would have been promoted had it not been for the physical disability for which separated and which was found to exist as a result of a physical examination for promotion.

(4) Twice the amount of monthly basic pay to which the member would be entitled if serving (a) on active duty on the date when the member's name was placed on the TDRL and, (b) in the temporary grade or rank to which the

member would have been promoted had it not been for the physical disability for which separated and which was found to exist as a result of a physical examination for promotion, if the member's eligibility for promotion was required to be based on cumulative years of service or years in grade. See table 2-7-1, rule 1.

b. To compute the years of active service multiplier, count a part of a year of active service that is 6 months or more as a whole year, and disregard a part of a year that is less than 6 months. A member with less than 6 months of active service is not entitled to disability severance pay.

c. To determine the taxability of the disability severance pay see paragraph 50113.

20703. Severance Pay and Department of Veterans Affairs (VA) Disability Compensation

The amount of disability severance pay received under 10 U.S.C. 1212 is deducted from any compensation for the same disability to which the former member for the armed forces or the member's dependents become entitled under any law administered by the Department of Veterans Affairs. However, no deduction is made from any death compensation to which the former member's dependents become entitled after member's death.

20704. Return to Active Duty

If as a result of the physical examination or secretarial determination referenced in paragraph 20701, it is determined that the member is physically fit to perform the duties of the office, grade, rank, or rating, the member is removed from the TDRL. Any member removed may, with his or her consent, be recalled to active duty, appointed, reappointed, enlisted, reenlisted, or resume status in the Fleet Reserve or Fleet Marine Corps Reserve. See table 2-7-1.

20705. Disability of a Permanent Nature

If as a result of the physical examination or secretarial determination referenced in paragraph 20701:

a. The member's physical disability is permanent and is at least 30 percent under the standard schedule of rating disabilities in use by the Department of Veterans Affairs at the time of

the determination, the member's name is removed from the TDRL and member is retired by reason of permanent physical disability.

b. The member's physical disability is permanent and is less than 30 percent under the standard schedule of rating disabilities in use by the Department of Veterans Affairs at the time of the determination and, if member has at least 20 years of service, the member's name is removed from the TDRL and member is retired by reason of permanent physical disability with retired pay computed under 10 U.S.C. 1401. See table 2-7-1.

20706. Termination of Temporary Disability Retired Pay

The disability retired pay of a member terminates on the earlier of

a. The date of removal from TDRL because of:

(1) Recall to active duty,

(2) Resumption of status in Fleet Reserve and Fleet Marine Corps Reserve,

(3) Appointment, reappointment, enlistment, or reenlistment,

(4) Physical examination in which the member is found fit for duty or the disability is less than 30 percent, or

b. Upon the expiration of 5 years after the date when the member's name was placed on the TDRL.

20707. Notification to Department of Veterans Affairs

When a total or partial VA waiver of retired pay is in effect on the date of the retiree's discharge from the TDRL, the DFAS Center notifies the cognizant VA office of the effective date of discharge, amount of disability severance pay entitlement, if applicable, and the VA disability codes, if available, for which severance pay was paid.

TABLE 2-7-1

REMOVAL FROM TEMPORARY DISABILITY RETIRED LIST (TDRL)

R U L E	A	B	C
	If member's disability	then member may be	and is entitled to
1	is less than 30 percent and member has less than 20 years' service as determined by 10 U.S.C. 1208	discharged under 10 U.S.C. 1203 or 1206	disability severance pay computed by multiplying years of active service not to exceed 12, times twice the highest basic pay rate determined by paragraph 20702a(1), (2), (3), or (4). Retiree's pay entitlement terminates the effective date of separation under 10 U.S.C. 1203 or 1206 (note).
2	is less than 30 percent and member has at least 20 years of service	removed from the TDRL and retired under 10 U.S.C. 1201 and 1204	retired pay computed under 10 U.S.C. 1401. TDRL entitlement terminates on date of removal and transfer to PDRL (note).
3	is 30 percent or more		
4	no longer exists and member is found fit for duty and is a member of the Army or Air Force	with his or her consent recalled to active duty, appointed, reappointed, enlisted or reenlisted	retired pay terminating (a) on the date of removal from TDRL. (b) on the date of expiration of 5 years on the TDRL.
5	no longer exists and member is found fit for duty and is a member of the Navy, Marine Corps, or Coast Guard	with his or her consent recalled to active duty, appointed, reappointed, enlisted, reenlisted, or resume status in the Fleet Reserve or Fleet Marine Corps Reserve	
6	no longer exists and member is found fit for duty	discharged without severance pay if member does not consent to be recalled, appointed, reappointed, enlisted, or reenlisted	no retired pay after effective date of separation under 10 U.S.C. 1203 or 1206 (note).

NOTE: The date the member completes 5 years on TDRL supersedes this effective date. Rules 4, 5, and 6: If member is fit, there is no disability percent. See 10 U.S.C. 1210(f).

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